

**TRANSPORTATION FINANCE INITIATIVES
A NATIONAL REVIEW**

Transportation Finance Initiatives-
A National Review
Report to the Forum on Transportation Investment
June 28, 2005

The following overview of transportation finance initiatives is a sampling of those that have occurred in the last year. In some cases examples of previously existing applications of these initiatives are provided for illustrative purposes. They are

Advertising On Highways

Description: On toll roads and non-interstate highways some jurisdictions use advertising as a means to fund transportation improvements.

Jurisdictions: New Hampshire (signs on toll booths, ads on monthly bills, others), Florida (signs and ads on tollbooths)

Auto Registration Fees

Description: Auto registration and licensing fees are often used to finance transportation projects

Jurisdictions: South Carolina (\$30/year proposed), North Dakota (\$15 per vehicle proposed), Wisconsin (Governor proposed increasing vehicle licensing fees), Utah (\$10 per year now available for corridor preservation levied by county)

Fuel Tax-Local Option

Description: In some Jurisdictions local communities, including counties, are authorized to raise the motor fuel tax by a specific amount for transportation purposes

Jurisdictions: Florence, Oregon (3 cents per gallon), Florida (5 cent local option for transportation)

Fuel Tax-Statewide

Description: Many Jurisdictions are considering raising their motor fuel taxes to fund needed transportation projects

Jurisdictions: Washington (9.5 cents on top of a 5 cent increase two years ago), Virginia (proposed-not raised since 1986), Louisiana (1 cent proposed), Oklahoma (voter initiative on the ballot in September 2005 after the legislature failed to act on five cent increase), New Jersey (Blue Ribbon panel recommended 10 cents), Louisiana (1 cent proposed to improve I-49)

General Sales Tax

Description: General sales tax is often used to fund both highway and transit projects

Jurisdictions: Numerous initiatives (See Attachment B)

Impact Fees

Description: A set or variable amount is assessed per new dwelling unit constructed to address the cost of providing transportation services to the new residents

Jurisdiction: Riverside County and 14 cities (Collectively assess \$6,600 per new dwelling unit to defray the expenses of providing new transportation facilities. This has raised \$70 million in the last year.) Marshfield City, MO (proposing ½ cent sales tax dedicated to local road projects) Virginia (development fee proposed in the legislature for transportation), Nassau County, Florida (Proposal to add \$3000 to each new dwelling to fund transportation improvements)

Indexing Of The Motor Fuel Tax

Description: Various means are used to index the fuel tax charged per gallon to allow it to adjust for inflation and market conditions

Jurisdictions: Pennsylvania (Adjusted based on the price of wholesale fuel), Texas (proposed), Maine (proposed to increase it based on the Consumer Price Index), Wisconsin (automatically adjusted for inflation on April 1st each year), West Virginia (5% variable tax based on statewide average wholesale price of gasoline), Nebraska (12.5-cent base plus 12.3 percent variable excise tax; set semi-annually)

Local Sales Tax

Description: Some jurisdictions at the city/township level are authorized in their respective state statutes to impose sales taxes dedicated to transportation projects

Jurisdictions: Leavenworth County (1 cent sales tax), Missouri (multiple communities are advancing ½ cent local sales tax proposals for transportation), Georgia (1 percent local option for roads and other purposes), Rock Hill, SC (local tax raises money for state and local roads) (See also Attachment A)

Property Taxes

Description: Some locales are authorized to use a portion of their property taxes to fund transportation projects

Jurisdictions: Lee County, Florida (proposed), Raleigh, NC (property tax increase to fund road bonds)

Tolls-Existing, New and Proposed Tollways

Description: Includes new toll roads being built, changes to existing toll roads and their fee structures as well as proposed toll roads that are somewhere in the development process

Jurisdictions: Multiple (See Attachment B)

Tourism Fees and Taxes

Description: Some fees or taxes are levied on tourism activities such as hotel rooms, rental cars, food etc. to support transportation activities associated with tourism

Jurisdictions: Myrtle Beach, SC (hotel tax levied to improve state highways serving the community) Utah (rental car tax for right of way preservation)

Vehicle Mileage Tax

Description: An assessment based on the miles a vehicle travels which replaces the per gallon motor fuel taxes collected at the pump

Jurisdictions: Oregon (Still in the study phase. The per mile rate is 1.25 cents. Credit is given for the 24 cents assessed at the pump) California (Studying the concept due to its strong support of alternative fueled vehicles)

Attachment A
Results of Voter Initiatives*
November 2004

Alabama

*Amendment 8 (Statewide) - **Rejected***

Authorizes the Legislature to levy an excise tax in lieu of ad valorem taxes on designated motor vehicles.

Arizona

*Proposition 400 (Maricopa County) - **Approved***

Continues the existing one-half of one-cent sales tax dedicated to transportation to help fund a \$15.8 billion comprehensive transportation plan for the Maricopa County Region.

California

*Proposition AA (Bay Area) - **Approved***

Alameda, Contra Costa and San Francisco counties will vote on a \$980 million bond issue to fund seismic safety improvements for the Bay Area Rapid Transit System (BART).

*Measure J (Contra Costa County) - **Approved***

Renews one-half of one-cent countywide sales tax that is set to expire in 2009. This measure would raise \$1.6 billion in transportation funding through 2029.

*Measure A (Marin County) - **Approved***

Increase the county sales tax by one-half of one cent for a 20-year period. The measure would raise an estimated \$275 million exclusively for transportation related projects.

*Measure A (Sacramento County) - **Approved***

Renews a one-half of one-cent sales tax that is set to expire in 2009 for an additional 30 years. The sales tax extension would raise \$5.23 billion over the 30-year period.

*Measure I (San Bernardino County) - **Approved***

Would extend the one-half of one-cent sales tax for transportation improvements countywide from 2010 to 2040. This measure would raise \$6 billion over 30 years for transportation related projects.

*Measure A (San Mateo County) - **Approved***

Continue the existing one-half of one-cent sales tax for an additional 25 years up to December 2034. The proceeds of the tax shall be used for highway and transit improvements as set forth in the Transportation Expenditure Plan.

*Proposition A (San Diego County) - **Rejected***

Would extend a one-half of one-cent county-wide sales tax for 40 years through 2048. This proposition would generate an estimated \$14 billion for transportation related projects over the 40-year period.

*Measure J (Santa Cruz County) - **Rejected***

Impose a 30-year; one-half of one-cent sales tax increase countywide. Two-thirds of the \$577 million raised would be dedicated to the expansion of Highway.

*Measure A (Solano County) - **Rejected***

Would increase the sales tax for the county by one-half of one cent over the next 30 years. This measure would raise over \$1.4 billion to pay for transportation projects during this time.

*Measure M (Sonoma County) - **Approved***

Increase the county sales tax to 7.75 percent for 20 years and raise \$470 million for transportation projects.

*Measure B (Ventura County) - **Approved***

Implement a one-half of one-cent sales tax increase throughout Ventura County, which would remain in effect for 30 years. The \$1.5 billion would be spent on highway and transit improvements.

Colorado

*Referendum 4A (Seven County Denver Metropolitan Area) - **Approved***

Increase the sales tax by one-half of one cent to fund light rail from Denver to other Colorado cities. The referendum would raise \$4.7 billion for the rapid-transit program.

*Question 1A (El Paso County) - **Approved***

Increase the sales tax by 1 cent with 55% of the revenue allocated to road construction, 35% to maintenance and 10% to transit.

*Eagle County - **Approved***

The Roaring Forks Transit Authority (RFTA) will ask voters in Basalt, Carbondale, Glenwood Springs and the Roaring Fork Valley portion of Eagle County to approve a 0.2 percent sales tax increase. Voters in Pitkin County will be asked dedicate another 0.165 of its existing transportation tax to RFTA.

*Garfield County - **Rejected***

Whether Garfield County will become a member of the Roaring Fork Transportation Authority.

Florida

Amendment 6 (Statewide) - **Approved**

Would repeal the amendment passed in 2002 that would develop and operate a statewide high-speed ground transportation system.

Question 1 (Miami Beach) - **Approved**

A non-binding measure where Miami Beach voters specify if they want the light-rail trolley system BayLink to connect South Beach with downtown Miami.

Kentucky

Lexington - **Approved**

Proposed property-tax increase of 6 cents per \$100 of property valuation to fund the LexTran transit system. The estimated \$10.9 million in additional revenue is needed to restore cuts in the transit system.

Michigan

Kalamazoo Transit Authority Proposal (Kalamazoo) - **Approved**

Levies as new, additional millage, of one dollar per thousand dollars of the taxable value of all taxable property in the City of Kalamazoo for a period of three years, beginning with the 2005 this proposal would provide for public transportation services and raise \$1.5 million for the Transit Authority.

Missouri

Amendment 3 (Statewide) - **Approved**

Requires all revenues from motor vehicle fuel tax to be used only for highways, road and bridges. Also requires vehicle taxes and fees paid by highway users to be used only for constructing and maintaining the state highway system.

North Carolina

Amendment 1 (Statewide) - **Approved**

Decides the matter of self-financing bonds that will allow local governments to borrow money to pay for public improvement projects such as streets.

Oregon

Measure 9-27 (Bend) - **Rejected**

Assess a new property tax of 29 cents per \$1000 of assessed value with the revenue dedicated to establishing an independent transit district.

Rhode Island

Question 3 (Statewide) - Approved

Authorizes the issuance of \$66.5 million in general obligation bonds to match federal funds for transportation projects.

South Carolina

Question 1 (Charleston County) - Approved

Impose a countywide sales tax and use tax in the amount of one-half of one percent for not more than 25 years. This measure would raise an estimated \$1.3 billion with highways, roads and bridges receiving \$1.1 billion and greenbelts receiving \$220 million.

Texas

Austin - Approved

Build a commuter rail starter line from Leander to downtown Austin on existing tracks without raising taxes.

Virginia

Arlington County - Approved

Proposal to issue \$18 million in bonds to fund the construction and rehabilitation of transit facilities.

Fairfax County - Approved

Proposal to issue \$165 million in bonds transportation construction and improvements.

Washington

Clark County - Rejected

Raise the transit sales tax by three-tenths of one percent to fund the county bus system.

Initiative 83 (Seattle) - Rejected

Would stop the construction of the 14-mile monorail initiative passed by voters in 2002 but leave in place the 1.4 percent car tax increase that was to fund the project.

Measures 1 - Approved

Measure 2 (See results below)

(Metropolitan King County)

Two transportation-related advisory measures are on the ballot. The first question asks voters if they should develop a locally funded plan for transportation improvements. The second measure then asks voters to choose among five funding options:

- A general sales tax - 20.58%

- An excise tax on the value of motor vehicles - 25.94%
- A flat tax on motor vehicles - 16.68%
- An increase in the local gas tax - 20.41%
- A tax on total annual vehicle miles traveled - 16.39%

*-Compiled in conjunction with The Tom Warne Report and the AASHTO Journal

Attachment B

New, Existing and Proposed Toll Facilities

State	Locality	Description
California	n/a	Governor proposes more toll roads including HOT lanes to address congestion across the state
Delaware	n/a	State is proposing the privatization of various roads to raise additional funding for critical transportation projects
Florida	n/a	Proposal to authorize Lee and Collier counties to impose tolls to widen I-75
Florida	Orlando	State is advancing the widening of I-4 and making it a toll road
Georgia	n/a	Georgia DOT is studying the use of tolls and congestion pricing on road connecting Atlanta to its suburbs
Illinois	n/a	Increasing tolls on the state tollways for the first time in 21 years. \$5.3 billion in revenue will be used to rebuild and widen existing roads.
Illinois	Chicago	The city has leased the Skyway for 99 years. Toll revenues will pay for badly needed repairs and have infused nearly \$1 billion in new additional revenue into city coffers for other projects.
Indiana	n/a	The state is considering selling the Indiana Toll Road (similar to Chicago selling the Skyway for \$1.8 billion.) Excess revenues would be used for other projects.
Mississippi	n/a	Considering the use of tolls to pay for improvements on I-10*
Missouri	n/a	Considering the use of tolls to pay for improvements on I-70* across the state.
New York	n/a	The state is considering the use of tolls to finance the widening of I-84 between Waterbury and New York.
New York	n/a	The Governor is proposing to privatize or sell certain highways to generate revenue and improve efficiency.

North Carolina	Various	Four toll roads proposed to ease congestion around Charlotte, Brunswick County and Apex.
Pennsylvania	n/a	Increasing tolls from 4.1 to 5.9 cents per mile. It will raise \$1.1 billion in 10 years
Texas	Arlington	Toll lanes to be built on I-30 from Dallas to Arlington
Texas	Austin/Dallas	Trans Texas Corridor proposal from Cintra nets the state \$7.2 billion in roads and funding for other projects
Texas	Collin County	Proposed tolling on SH 121 will raise \$3.2 billion in revenue over the next 40 years
Texas	Comal County	The state is planning on widening US 281 through the county using tolls
Texas	Denton County	Proposing the use of tolls on Highway 121 to raise \$500 million needed to fix local county roads.
Texas	Houston	New Westpark Tollway. Opened in May 2005. \$2.25 toll assessed electronically
Texas	Plano	The state will raise \$1.7 billion by tolling Highway 121 if their proposal goes through.
Virginia	Chesapeake	A study reported that tolls could pay for the third crossing to Hampton Roads which is valued at \$4.15 billion
Virginia	n/a	The state is considering tolling I-81 to pay for needed improvements
Virginia	n/a	Washington Post reported that residents preferred tolls to raising taxes to fund transportation projects
Virginia	n/a	Virginia's plan to add four HOV lanes to the Beltway was to have cost \$2.4 billion. They are now negotiating with a private contractor who will build HOT lanes for \$700 million.
Washington	n/a	HOT lanes being implemented on Highway 167

*-Tolling of existing Interstate highways is currently prohibited by Federal law.